

## 3 Top Dividend Stocks for Young Investors

### Description

If you're a young investor and are interested in buying a dividend-paying stock or building a portfolio full of them, then this article will make the process much easier for you. I've scoured the market and compiled a list of three top dividend stocks from different industries, so let's take a closer look at each to determine if you should buy one or more of them today.

#### 1. Emera Inc.

**Emera Inc.** ([TSX:EMA](#)) is one of the largest generators, transmitters, and distributors of electricity in Canada, the United States, and the Caribbean, and when it completes its acquisition of **TECO Energy, Inc.**, it will have over US\$20 billion in assets and be one of the 20 largest regulated utilities in North America. It pays a quarterly dividend of \$0.475 per share, or \$1.90 per share annually, which gives its stock a yield of about 4.1% at today's levels.

It is also important to make two notes.

First, the company's two dividend increases since the start of 2015, including its 18.8% hike in August 2015, have it on pace for fiscal 2016 to mark the 10th consecutive year in which it has raised its annual dividend payment.

Second, Emera has an annual dividend-per-common-share growth target of 8% through 2019, and it has noted that its acquisition of TECO Energy positions it to extend this target beyond 2019.

#### 2. Laurentian Bank of Canada

**Laurentian Bank of Canada** ([TSX:LB](#)) is one of eastern Canada's largest banking institutions with approximately \$40.3 billion in total assets. It pays a quarterly dividend of \$0.58 per share, or \$2.32 per share annually, which gives its stock a yield of about 4.6% at today's levels.

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First, the company's two dividend increases since the start of 2015, including its 3.6% hike in December 2015, have it on pace for fiscal 2016 to mark the ninth consecutive year in which it has raised its annual dividend payment.

Second, Laurentian Bank has kept its dividend-payout ratio around 40% of its adjusted net income in recent years, so I think its consistent growth of net income, including its 5.3% year-over-year increase to an adjusted \$1.39 per share in its first quarter of fiscal 2016, and its growing asset base will allow its streak of annual dividend increases to continue for the foreseeable future.

#### 3. Choice Properties Real Estate Investment Trust

**Choice Properties Real Est Invstmnt Trst** ([TSX:CHP.UN](#)) is one of the largest owners of commercial

real estate in Canada with 519 predominantly retail properties across the country. It pays a monthly distribution of \$0.055833 per share, or \$0.67 per share annually, which gives its stock a yield of about 5.3% at today's levels.

It is also important to make two notes.

First, the company's 3.1% dividend hike in November, which was effective for its January 2016 distribution, has it on pace for fiscal 2016 to mark the first year in which it has raised its annual distribution since it went public in 2013.

Second, I think Choice's consistent growth of funds from operations, including its 4.3% year-over-year increase to an adjusted \$0.777 per share in fiscal 2015, its modest payout ratio, and its growing property portfolio will allow it to announce another dividend hike before the end of the year.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
2. TSX:EMA (Emera Incorporated)
3. TSX:LB (Laurentian Bank of Canada)

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## Author

jsolito

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